



January 18, 2000

Dockets Facility, U.S. Department of Transportation, Room PL-401  
400 Seventh Street, SW  
Washington, DC 20590-0001

RE: [Docket No. RSPA-99-6355; Notice 1]  
Pipeline Safety: Enhance Safety and Environmental Protection for  
Gas Transmission and Hazardous Liquid Pipelines in High  
Consequence Areas

The Enron Gas Pipeline Group (GPG), which includes Houston Pipe Line Company, Florida Gas Transmission Company, Northern Plains Natural Gas Company, Northern Natural Gas Company, Transwestern Pipeline Company, and Louisiana Resources Company, operates over 25,000 miles of natural gas transmission pipelines that are subject to the pipeline safety regulations. GPG has a genuine interest in and a strong commitment to pipeline safety and has a long-standing, proactive integrity management program in place. Accordingly, GPG wishes to submit comments on the subject Docket.

On November 18, 1999, the Office of Pipeline Safety (OPS) hosted a Public Meeting on the above-referenced docket (64 Fed Reg. 56570, October 20, 1999). The Interstate Natural Gas Association of America (INGAA) participated in that meeting and made a presentation of the views of its membership. The following is a summary of INGAA's recommendations, which we continue to support:

- OPS and state pipeline safety agencies should communicate to state and local elected officials their present inspection process as well as the new initiatives.
- The present joint initiatives should be completed and documented, and successes integrated into the regulatory structure.
- A joint public safety education effort should be established.

It is clear that 49 CFR Part 192 (Part 192) was constructed to embody the principles of integrity management and assurance and prescribes significant integrity management requirements. Therefore, in the current docket, it is essential that the integrity benefits unique to Part 192 are identified and their impact assessed. The basis for these unique requirements in Part 192 is an implied definition and differentiation among areas of varying potential consequences through the establishment of class location designations.

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For areas of perceived higher potential consequences, Part 192 prescribes more stringent design, construction, operating and maintenance requirements that are intended to produce a higher margin of safety or a higher assurance of integrity.

GPG recommends that goals that are realistic and measurable for this initiative be developed and that the effectiveness of the existing Part 192 requirements in satisfying these goals be assessed. Following that assessment, gaps between the benefits derived from Part 192 and the intended objectives of this initiative may be clearly delineated. Once these gaps are delineated, GPG supports working with the OPS to develop requirements that could be added to Part 192 to resolve those gaps. Such requirements might include, for example, some form of periodic inspection to confirm the effectiveness of the currently prescribed integrity maintenance efforts.

Additionally, it appears that one of the gaps already identified is a disparity between the apparently intended definition of high consequence areas and the current class location system. Therefore, high consequence area for gas transmission pipelines will have to be defined which is expected to be a subset of the current class definition as provided in Part 192.

This prescriptive approach will provide an effective regulatory addition that builds on the strength of the current regulatory scheme without introducing overlapping, expensive and unproductive requirements. GPG believes this will allow pipeline operators to use the premises of the current regulations in moving forward.

In addition to this prescriptive, but fundamentally essential and straightforward approach, GPG recommends that an alternate regulatory venue be developed to implement this initiative. This alternate path would be based on a more customized and comprehensive performance-based approach to integrity management. This performance-based approach would encompass many of the principles of the OPS's current Pipeline Risk Management initiative. In this approach, many of the issues resolved in the prescriptive approach described above, including the definition of high consequence areas and the establishment of realistic goals for the initiative, would be incorporated. Additionally, a standard would be developed defining pipeline integrity factors that must be evaluated and quantified to provide assurance that the established goals would likely be met by the plan's implementation.

This approach would require operators to specifically address the issues that are generically and conservatively addressed in the current regulations and would require operators to tailor unique plans for each individual situation. Integrity management activities may exceed the current regulations in some areas and not in others based on the actual unique situation, its corresponding risks and the effectiveness of the integrity management components.

This approach, albeit more demanding on the part of both pipeline operators and the OPS, has the potential to increase the level of pipeline safety by providing specifically customized integrity management approaches for addressing individual and unique situations. This approach will take longer to accomplish than the prescriptive approach due to the need to develop a standard and the time frame required for operators to develop and implement such a program. As a result, the prescriptive approach needs to be addressed first and this performance based approach subsequently.

GPG is compelled to point out what it believes to be a significant shortcoming in the proposed OPS Integrity Management initiative at this time. It has been well established that one of the leading threats to pipeline integrity is third party damage. As such, it is clear that pipeline operators alone cannot fully address or ameliorate this situation, or effectively mitigate this potential risk. The solution must place a significant portion of the responsibility for its success on those causing the damage, rather than just on those whose facilities are damaged. Therefore, we believe that any pipeline integrity initiative is not complete without revisiting the potential for safety enhancement that may be afforded by effective damage prevention legislation and regulations that are vigorously enforced.

The cost impact of this integrity initiative has the potential to be extraordinarily significant to both individual operators and the Industry as a whole if reason and restraint are not judiciously exercised. In an effort to manage the cost impact required to yield the desired level of safety benefits, it is essential that safety benefits provided by and unique to the current gas pipeline requirements be delineated and that all available approaches to confirm integrity be kept available to Industry. As was noted in the November public meeting, there is no "silver bullet" to resolve this issue. Assuming one and attempting to force its use would surely result in a roadblock due to cost/benefit considerations, i.e., extraordinary costs producing little benefit to safety. In fact, finite resources could end up being diverted from higher to lower impact activities, which all parties want to guard against.

Additionally, the timing required to evaluate this issue, develop regulatory requirements, industry standards, develop operator plans and implement those plans is significant and must be appreciated. As a result, as a minimum, we recommend a phased, multi-year deployment of any response or action undertaken to satisfy this initiative.

There are other related issues that need to be addressed to successfully build the confidence of all stakeholders for the integrity management efforts to be beneficial to pipeline safety. Among these are public education and outreach programs as well as technology development and evaluation. These issues, although definitely related and critical to the successful ultimate realization of this effort, are significant in and of

themselves. They require the involvement of many different entities and groups such as the INGAA Executive Board Pipeline Safety Initiative on Public Awareness and OPS's Best Practices and Damage Prevention programs.

As a result, and in an effort to focus on the success of this initiative, it is recommended that those peripheral but related issues be decoupled from this initiative. They may then be addressed in separate, focussed arenas using appropriate resources and organizations tailored to resolve the issues unique to each facet of this overall pipeline safety improvement movement.

The pipeline industry makes a significant effort and expends considerable time and money to meet its current regulatory obligations. These requirements have been highly effective as is evidenced by the impressive safety record compiled over decades by the interstate gas pipelines. Nevertheless, the pipeline industry does not stand on its safety record alone. GPG supports an effort to seek opportunities to further improve the effectiveness of the pipeline safety program. As a result, GPG supports the OPS on this initiative and welcomes the opportunity to work with OPS towards a successful outcome. GPG does, however, encourage a judicious and deliberate analysis of the current and proposed requirements to avoid creating an expensive and unproductive response that will not effectively accomplish that objective.

GPG appreciates the opportunity to comment on this matter, and stands ready to continue working with OPS to further enhance pipeline safety.

Sincerely,

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